(Company No: 224414-D) (Incorporated in Malaysia)

#### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

The Board of Directors of Luxchem Corporation Berhad ("LCB" or "the Company") is pleased to announce the following unaudited consolidated results of LCB and its subsidiaries (collectively known as "the Group") for the quarter ended 30 June 2017.

The Company is principally involved in investment holding while the subsidiaries of the Company are principally involved in the marketing and distribution of industrial chemicals and materials, the manufacture of Unsaturated Polyester Resins and manufacture of latex chemical dispersion and related products for the latex industry.

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individua	l Quarter	Cumulative Quarters		
	(3 m	onths)	(6 months)		
	Current	Preceding Year	Current	Preceding	
	Quarter	Corresponding	Year	Year	
	Ended	Quarter Ended	Ended	Ended	
	30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16	
	RM	RM	RM	RM	
Revenue	203,114,408	175,848,534	421,246,381	335,818,130	
Cost of sales	(184,039,276)	(154,893,489)	(376,969,591)	(296,162,513	
Gross profit	19,075,132	20,955,045	44,276,790	39,655,618	
Other operating income	(28,673)	1,501,193	1,105,406	3,328,655	
Selling and distribution costs	(1,448,744)	(1,344,042)	(2,905,932)	(2,743,102	
Administrative expenses	(4,654,041)	(2,763,904)	(9,741,404)	(10,658,304	
Administrative expenses - Share Option Expense	(292,906)	(426,990)	(1,007,502)	(1,241,739	
Other operating expenses	(53,011)	80,397	(68,365)	(122,908	
Operating profit	12,597,757	18,001,699	31,658,992	28,218,219	
Finance costs	(889,202)	(566,743)	(1,557,787)	(1,212,556	
Profit before Tax	11,708,555	17,434,956	30,101,205	27,005,663	
Taxation	(2,920,735)	(4,267,543)	(7,531,293)	(6,767,178	
Profit for the period	8,787,820	13,167,413	22,569,912	20,238,484	
Exchange gain/ (loss) on translation of					
foreign operations Gain/(loss) on revaluation of available-for-sale	(102,995)	6,262	(138,318)	(1,963	
investments	328,214	(90,913)	384,927	(260,733	
Total other comprehensive income	225,218	(84,651)	246,608	(262,696	
Total comprehensive income for the period	9,013,038	13,082,762	22,816,521	19,975,789	
Profit attributable to:					
-Owners of the Company	8,656,774	13,031,589	22,266,147	20,033,874	
-Non controlling interests	131,046	135,824	303,765	20,033,874 204,611	
-non controlling interests	8,787,820	13,167,413	22,569,912	204,811	
Total comprehensive income attributable to:		13,107,413	22,309,912	20,236,484	
-Owners of the Company	8,897,606	12,939,633	22,529,854	19,813,542	
-Non controlling interests	115,433	143,130	286,667	162,247	
-Non controlling interests	9,013,038	13,082,762	22,816,521	19,975,789	
Earnings per share attributale to owners of the Company		13,002,702	22,010,321	13,373,783	
Earnings per share - Basic (Sen)	3.12	4.86	8.03	7.47	
Earnings per share - Fully Diluted (Sen)	3.01	4.64	7.75	7.14	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this quarterly financial report.

(Company No: 224414-D) (Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017

## NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-Jun-17 RM	Current Year to date Ended 30-Jun-17 RM
Interest Income	440,518	662,177
Other income*	(469,191)	443,229
Interest Expense	889,202	1,557,787
Depreciation & amortisation	630,049	1,217,096
Foreign exchange (Gain)/Loss - realised	321,424	1,211,988
Foreign exchange (Gain)/Loss - unrealised	310,361	(140,316)
(Gain)/loss on derivatives	119,173	2,345

\*Includes Foreign exchange Gain and Gain on derivatives

## (Company No: 224414-D) (Incorporated in Malaysia)

## **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

#### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Unaudited As at 30-Jun-17 RM	Audited As at 31-Dec-16 RM
Non-current Assets		
Property, plant and equipment	43,529,969	39,020,581
Intangible assets	389,072	293,340
Otherinvestments	1,342,105	957,179
Goodwill	35,802,888	35,802,888
Deferred tax assets	214,966	222,310
	81,279,000	76,296,298
Current Assets		
Inventories	58,799,846	72,656,622
Trade and other receivables	146,438,439	130,310,365
Derivative financial assets	484	-
Tax recoverable	1,942,352	1,766,750
Deposits, cash and bank balances	82,902,398	88,494,750
	290,083,519	293,228,487
Total Assets	371,362,519	369,524,785
EQUITY AND LIABILITIES Equity Attributable to Owners of the Parent		
Share capital	153,637,722	137,660,776
Share premium	-	11,759,663
Other reserves	5,250,554	5,100,636
Retained profits	85,968,730	76,262,183
Total equity attributable to owners of the Company	244,857,007	230,783,258
Non-controlling interests	608,630	321,964
Total Equity	245,465,637	231,105,222
Non-current Liabilities		
Hire purchase payables	327,963	508,881
Retirement benefits	297,201	307,354
Deferred tax liabilities	1,268,569	1,267,986
	1,893,733	2,084,221
	1,893,733	2,084,221
Current Liabilities		
Trade and other payables	34,634,414	77,211,586
Hire purchase payables	338,160	323,908
Derivative financial liabilities	6,583	3,754
Bank borrowings	85,743,479	55,649,498
Taxation	3,280,513	3,146,596
	124,003,149	136,335,342
Total Liabilities	125,896,882	138,419,563
Total Equity and Liabilities	371,362,519	369,524,785
Net Assets per ordinary share attributable to		
ordinary equity holders of the Company (RM)	0.89	0.84

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this quarterly financial report.

(Company No: 224414-D) (Incorporated in Malaysia)

## **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities30,101,205Adjustments for :-30,101,205Amortisation of intangible assets74,051Bad debt written off-Depreciation of property, plant and equipment1,143,045Amortisation of investment property-Defined microle(6,770)Diffeed microle(944)Net (gain)/loss on changes in fair value of forward exchange contracts(3,345)Net gain on disposal of property, plant and equipment(944)Net gain on disposal of investment property-Interest income(662,177)Interest expense1,557,787Inventories written off-Property, plant and equipment written off3,477Net gain/loss on foreign exchange(140,316)Reversal of inventories written ofm1,007,502Operating profit before working capital changes(140,316)Decrease/ (Increase) in trade and other receivables(11,643,698)Tax paid(7,855,884)Interest paid(62,177)Interest paid(11,643,698)Tax paid(11,643,698)Tax paid(11,643,698)Tax paid(12,57,787)Net cash (used in)/from operating activities(20,395,192)Cash flows from investing activities(20,395,192)Cash flows from investing activities(5,676,903)Proceeds from disposal of an investment property-Additional injection of capital from Non-controlling interest-Additional injection of capital from Non-controlling interest <th>Preceding Current Year Correspon to date Ended Period Er 30-Jun-17 31-Dc RM RM</th> <th>nding</th>	Preceding Current Year Correspon to date Ended Period Er 30-Jun-17 31-Dc RM RM	nding
Adjustments for :-  74,051    Amortisation of intangible assets  74,051    Bad debt written off  1    Depreciation of property, plant and equipment  1,143,045    Amortisation of investment property  -    Defined benefit obligations  -    Dividend income  (6,770)    Net (gain)/loss on changes in fair value of forward exchange contracts  2,345    Net gain on disposal of property, plant and equipment  (944)    Impairment losses on trade receivables  (662,177)    Interest expense  1,557,787    Inventories written off  3,477    Net legin/loss on foreign exchange  (140,316)    Reversal of inpairment losses on trade receivables  (141,674)    Reversal of inpairment losses on trade receivables  (142,150,387)    Decrease/ (Increase) in trade and other receivables  (12,12,281)    Decrease/ (Increase) in trade and other payables  (12,12,281)    Decrease/ (Increase) in trade and other payables  (11,643,698)    Tax paid  (12,57,787)    Interest paid  (15,57,787)    Net used in N/from operating activities  (20,395,192)    Cash flows from financing activities		0 1 2 0
Amortisation of intangible assets 74,051 Bad debt written off 70000000000000000000000000000000000		5,138
Bad debt written off-Depreciation of property, plant and equipment1,143,045Amortisation of investment property-Dividend income(6,770)Net ggin/loss on changes in fair value of forward exchange contracts2,345Net ggin on disposal of property, plant and equipment(944)Impairment losses on trade receivables-Interest expense(662,177)Interest expense1,557,787Invertext, plant and equipment written off-Write down in value of inventories3,477Property, plant and equipment written off-Reversal of inmotories written off-Reversal of inmotories written off1,007,502Operating profit before working capital changes32,937,532Decrease/ (increase) in inventories13,690,438Decrease/ (increase) in trade and other receivables(16,121,281)Interest received662,177Interest received62,177Interest received62,177Interest explicition operating activities(20,397,532)Cash generated from operations(11,643,698)Tax paid(7,855,884)Interest received62,177Interest received62,177Interest paid(1,557,787)Retirment benefit paid-Acquisition of a subsidiary-Additional injection of capital from Non-controlling interest-Purchase of intangible assets(20,395,192)Cash flows from financing activities(5,676,903)Purchase of intang		1,706
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Proceeds from disposal of property, plant and equipment943Proceeds from disposal of an investment property943Dividend received6,770Net cash used in investing activities(5,838,973)Cash flows from financing activities3,095,990Term Loan repaid30,652,253Net bankers' acceptances (repaid)/obtained30,652,253Hire purchase instalments paid(158,480)Dividend paid(12,559,615)Net (decrease)/increase in cash and cash equivalents(5,204,018)Cash and cash equivalents at beginning of year88,494,750Net exchange differences(388,334)Cash and cash equivalents at end of the period82,902,398Cash and cash equivalents at end of year comprised:-82,902,398		8,695)
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Net cash used in investing activities(5,838,973)Cash flows from financing activities Proceeds from shares issued pursuant to share options exercised Term Loan repaid Net bankers' acceptances (repaid)/obtained Hire purchase instalments paid Dividend paid30,652,253 (158,480) (12,559,615)Net (decrease)/increase in cash and cash equivalents Cash and cash equivalents at beginning of year(5,204,018) (88,334)Net exchange differences(388,334)Cash and cash equivalents at end of the period82,902,398Cash and cash equivalents at end of year comprised:-82,902,398		0,000
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Proceeds from shares issued pursuant to share options exercised Term Loan repaid3,095,990Term Loan repaid30,652,253Net bankers' acceptances (repaid)/obtained Dividend paid30,652,253Net cash from/(used in) financing activities(12,559,615)Net (decrease)/increase in cash and cash equivalents Cash and cash equivalents at beginning of year(5,204,018) 88,494,750Net exchange differences(388,334)Cash and cash equivalents at end of the period82,902,398Cash and cash equivalents at end of year comprised:-1000000000000000000000000000000000000	n used in investing activities (5,838,973) (40,837)	7,391)
Proceeds from shares issued pursuant to share options exercised Term Loan repaid3,095,990Term Loan repaid30,652,253Net bankers' acceptances (repaid)/obtained Dividend paid30,652,253Net cash from/(used in) financing activities(158,480)Net (decrease)/increase in cash and cash equivalents Cash and cash equivalents at beginning of year(5,204,018)Net exchange differences(388,334)Cash and cash equivalents at end of the period82,902,398Cash and cash equivalents at end of year comprised:-82,902,398	om financing activities	
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Cash and cash equivalents at beginning of year $88,494,750$ Net exchange differences(388,334)Cash and cash equivalents at end of the period $82,902,398$ Cash and cash equivalents at end of year comprised:-		- 0.2.5
Net exchange differences  (388,334)    Cash and cash equivalents at end of the period  82,902,398    Cash and cash equivalents at end of year comprised:-		
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Cash and cash equivalents at end of year comprised:-		-, -
	h equivalents at end of the period 82,902,398 88,494	4,750
Cash and bank balances 58,186,259 82,902,398		

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this quarterly financial report.

(Company No: 224414-D) (Incorporated in Malaysia)

#### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6 months ended 30 June 2017

For the 6 months ended 30 June 2017			Attributabl	e to Owners of t	the Company				
		Non - distribu	table		Distribu	ıtable			
	Share capital RM	Share premium RM	Exchange translation reserve RM	Fair value adjustment reserve RM	Share Option reserve RM	Retained profits RM	Total RM	Non- controlling interests RM	Total RM
2017 Balance et 1 January 2017	127 000 770	11 750 663	109,781	661.836	4,329,019	76 262 192	230,783,258	221.064	221 105 222
Balance at 1 January 2017 Adjustments for effects of Companies Act 2016*	137,660,776 11,767,433	11,759,663 (11,767,433)	- 109,781	-	4,329,019	76,262,183 -	- 230,783,258	321,964 -	231,105,222
Profit/(Loss) for the year Exchange gain/(loss) on translation of	-	-	-	-	-	22,266,162	22,266,162	303,765	22,569,927
foreign operations Loss on changes in fair value of	-	-	(121,219)	-	-	-	(121,219)	(17,099)	(138,317)
available-for-sale financial assets	-	-	-	384,927	-	-	384,927	-	384,927
Total comprehensive income/(loss) for the year	-	-	(121,219)	384,927	-	22,266,162	22,529,870	286,667	22,816,537
Share options granted under ESOS Issue of shares pursuant to exercise of share options:	-	-	-	-	1,007,502	-	1,007,502	-	1,007,502
- shares issued	3,088,220	7,770	-	-	-	-	3,095,990	-	3,095,990
- attributable option reserve transferred Dividends paid	1,121,293 -	-	-	-	(1,121,293) -	- (12,559,615)	- (12,559,615)	-	- (12,559,615)
Balance at 30 June 2017	153,637,722	-	(11,438)	1,046,763	4,215,228	85,968,730	244,857,005	608,631	245,465,636
For the 6 months ended 30 June 2016			Attributabl	e to Owners of t	the Company				
		Non - distribu	table		Distribu	ıtable			
	Share capital RM	Share premium RM	Exchange translation reserve RM	Fair value adjustment reserve RM	Share Option reserve RM	Retained profits RM	Total RM	Non- controlling interests RM	Total RM
2016	400 507 000	2 600 570	424 420	004 070	2 005 204	54 077 650	404 205 020	(204 700)	100 001 050
Balance at 1 January 2016	132,537,200	2,689,578	121,430	864,679	3,095,284	51,977,659	191,285,830	(294,780)	190,991,050
Profit/(Loss) for the year Exchange gain/(loss) on translation of	-	-	-	-	-	20,036,074	20,036,074	204,613	20,240,687
foreign operations Loss on changes in fair value of	-	-	(234,552)	-	-	-	(234,552)	(42,364)	(276,916)
available-for-sale financial assets Additional injection of capital	-	-	-	(260,732)	-	-	(260,732)	- 452,550	(260,732) 452,550
	-	-	(234,552)	(260,732) - (260,732)	-	- - 20,036,074	(260,732) - 19,540,790	- 452,550 614,799	
Additional injection of capital Total comprehensive income/(loss) for the year Share options granted under ESOS Issue of shares pursuant to exercise	-	-	-		- - 1,241,739	- - 20,036,074 -			452,550
Additional injection of capital Total comprehensive income/(loss) for the year Share options granted under ESOS Issue of shares pursuant to exercise of share options: - shares issued and premium arising	1,966,150	- 857,093	-		1,241,739	- - 20,036,074 - -	19,540,790		452,550 20,155,589
Additional injection of capital Total comprehensive income/(loss) for the year Share options granted under ESOS Issue of shares pursuant to exercise of share options: - shares issued and premium arising - attributable option reserve transferred Shares issued for acquisition of	- - 1,966,150 2,592,426	-	-			- 20,036,074 - - - - -	19,540,790 1,241,739		452,550 20,155,589 1,241,739
Additional injection of capital Total comprehensive income/(loss) for the year Share options granted under ESOS Issue of shares pursuant to exercise of share options: - shares issued and premium arising - attributable option reserve transferred		- 857,093 1,032,263	-		1,241,739	- 20,036,074 - - - 8,480 (12,338,170)	19,540,790 1,241,739 2,823,243		452,550 20,155,589 1,241,739 2,823,243
Additional injection of capital Total comprehensive income/(loss) for the year Share options granted under ESOS Issue of shares pursuant to exercise of share options: - shares issued and premium arising - attributable option reserve transferred Shares issued for acquisition of a subsidiary Share options forfeited		- 857,093 1,032,263	-		1,241,739 - (1,032,263) -	- - - 8,480	19,540,790 1,241,739 2,823,243 9,200,000		452,550 20,155,589 1,241,739 2,823,243 9,200,000

\*Pursuant to the Companies Act 2016, the credit standing in the share premium account of RM 11,767,433 has been transferred to share capital account.

Based on the transitional provisions of Section 618 of the Companies Act 2016, the Company will decide the utilisation of the credit standing in the share premium account in due course.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this quarterly financial report.

(Company No: 224414-D) (Incorporated in Malaysia)

#### QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017

# PART A NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134"), INTERIM FINANCIAL REPORTING

## A1. Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and Chapter 9 Part K of the Bursa Securities Listing Requirements. Unless otherwise described below, the accounting policies and method of computation adopted for the interim financial statements were consistent with those adopted for the audited financial statements for the year ended 31 December 2016.

The accounting policies applied by the Group are consistent with those applied in the annual financial statements for the year ended 31 December 2016 other than the application of a new MFRS and amendments to MFRSs which became effective for annual period beginning on 1 January 2017. The initial application of these new MFRS and amendments to MFRSs has no material impact on this interim financial reporting.

#### A2. Auditors' Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2016.

#### A3. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors during the period under review

#### A4. Items of Unusual nature and Amount

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the quarterly financial reports.

(Company No: 224414-D) (Incorporated in Malaysia)

#### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

# PART A NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134"), INTERIM FINANCIAL REPORTING

## A5. Issuance, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

On 1 December 2014, the Company established an Employees' Share Option Scheme that entitles eligible directors and employees of the Group ("Eligible Persons") to participate in the ordinary share capital of the Company. The share option scheme has a tenure of five (5) years which expires on 30 November 2019.

Date ofgrant	No. of options granted	No. of options vested As at	No. of options vested YTD	No. of options vested As at	Exercise price/ option	Fair Value /option	No. of options exercised			Vested Options cancelled	Balance of vested & exercisable options as at	
		31-Dec-16	Q2 2017	30-Jun-17	Note 1	Note 2	As at 1 Jan 17	Q1 2017	Q2 2017	YTD JUN 17	As at 30 Jun 17	30-Jun-17
					RM	RM	No.	No.	No.	No.	No	No
22-Jan-15 22-Jun-15	31,986,000 1,446,000			18,629,600 843,600	0.71 1.02	0.265 0.168	9,825,700 281,000	167,000	3,923,000 135,000	4,090,000 135,000	-	
22-Jun-16 22-Jun-17	2,540,000 3,031,000	635,000	620,000	1,255,000	1.47 1.59	0.399	30,000	-	37,000	37,000	15,000	1,173,000
22 900 27	39,003,000	13,862,800	6,865,400	20,728,200	•		10,136,700	167,000	4,095,000	4,262,000	107,000	6,222,500
Forfeited Net granted	Forfeited (1,784,000)											
Note 1: The respective exercise price of the share options as above, was determined based on the volume weighted average market price of the Company's shares for the five (5) market days immediately preceding the date of offer with a 10% discount.												
Note 2 :	Note 2 : The fair value of the share options granted was measured using the Trinomial Option Pricing model. The fair value of share options granted on 22 Jun 17 has not been included yet, as the options will vest only from 1 July 17											

The following shows the status of the options granted:

(Company No: 224414-D) (Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017

# PART A NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134"), INTERIM FINANCIAL REPORTING

## A6. Segmental Information

Segmental results by business activities:-

	Current Quarter		Current Yea	r To Date	
	Ended 30.	June 2017	Ended 30 June 2017 ( 6 months)		
	( 3 ma	onths)			
	Revenue	Profit/	Revenue	Profit/	
	(loss)			(loss)	
		Before Tax		Before Tax	
	RM	RM	RM	RM	
Business Activities:					
Investment Holding	13,000,000	12,938,575	13,000,000	12,893,357	
Trading	173,154,877	6,911,843	354,530,075	16,519,978	
Manufacturing	54,939,571	4,791,660	119,193,266	13,678,262	
Total	241,094,448	24,642,079	486,723,341	43,091,597	
Consolidation Adjustments	(37,980,040)	(12,933,525)	(65,476,960)	(12,990,392)	
	203,114,408	11,708,554	421,246,381	30,101,205	

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# PART A NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134"), INTERIM FINANCIAL REPORTING

## A7. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current period under review.

#### A8. Capital commitments

Capital commitments as at 30 Jun 17	Amount RM
Capital expenditure in respect of purchase of property, plant and equipment - authorised and contracted for	4,604,540
	4,604,540

## A9. Changes in the Composition of the Group

There was no change in the composition of the group during the current period and year to date.

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### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

# PART B NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

#### B1. Review of performance of the Company and its principal subsidiaries

	Current Quarter Ended 30-Jun-17	Preceding Year Corresponding Quarter Ended 30-Jun-16	Change
	RM	RM	RM
Revenue Profit Before Tax	203,114,408 11,708,550	175,848,534 17,434,956	27,265,874 (5,726,406)

Revenue for the current quarter is higher than the preceding year corresponding quarter. This is mainly due to higher contribution from the trading segment.

Profit Before Tax for the current quarter is lower than the preceding year corresponding quarter. This is due to lower contribution from both trading and manufacturing segment.

	Current Quarter Ended 30-Jun-17	Previous Quarter Ended 31-Mar-17	Change
	RM	RM	RM
Revenue Profit Before Tax	203,114,408 11,708,550	218,131,973 18,392,651	(15,017,565) (6,684,101)

Revenue for the current quarter is lower than the previous quarter due to lower contribution from both trading and manufacturing segment.

Profit Before Tax for the current quarter is lower than the previous quarter, due to lower contribution from both trading and manufacturing segment.

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### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

# PART B NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

#### B2. Prospects for the following financial year

Fluctuations in exchange rates and raw material prices will continue to be a challenge to the Group. However, the Directors remain positive with the Group's prospects.

#### **B3.** Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast in a public document during the current financial period.

#### B4. Taxation

	Current Quarter Ended 30-Jun-17 RM	Current Year Ended 30-Jun-17 RM
Current tax expenses	(2,920,735)	(7,531,293)

The effective tax rate of the Group is approximately the statutory tax rate.

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## QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017

# PART B NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

## **B5.** Group borrowings and debt securities

The Group's borrowings as at 30 June 2017 as follows:-

	Secured	Unsecured	Total
	RM	RM	RM
Short term borrowing:-			
Bankers' Acceptance	-	85,743,479	85,743,479
Hire Purchase Payable	338,160	-	338,160
	338,160	85,743,479	86,081,639
Long Term borrowings:-			
Hire Purchase Payable	327,963	-	327,963
	327,963	-	327,963
Total	666,123	85,743,479	86,409,602

## **B6.** Realised and Unrealised Profit

	Current financial year ended 30 Jun 2017	31-Dec-16
	RM	RM
Total retained profits of LCB and its subsidiaries		
- Realised	155,700,379	152,064,721
- Unrealised	(919,378)	(390,084)
	154,781,001	151,674,637
Less: Consolidation adjustments	(68,812,270)	(75,412,454)
Retained profits as per financial statements	85,968,730	76,262,183

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#### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

## PART B NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

#### **B7.** Financial Guarantee

The Company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. As at 30 June 2017, the amount of bank borrowings of its subsidiaries guaranteed by the company amounted to RM 85.74 million.

In addition, the Company has also provided Corporate Guarantee to Suppliers in respect of credit facilities granted to subsidiaries. As at 30 June 2017, the amount of Corporate Guarantee to suppliers amounted to RM 15.24 million. The Company monitors the performance of its subsidiaries closely to ensure they meet all their financial obligations. In view that there is minimal risk of default, the Company has not recognised the value of the obligation under the Financial Guarantee in its books.

#### **B8.** Material Litigation

As at 30 June 2017, neither our Company nor any of our subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company our subsidiaries.

#### **B9.** Proposed Dividend

The Board of Directors declared a single tier interim dividend of 2.5 sen per ordinary share for the financial year ending 31 December 2017. The interim dividend shall be paid on 29 September 2017.

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#### **QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2017**

## PART B NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

## B10. Earnings per share

(a) Basic earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of RM8.66million for the current quarter and RM22.27million for the current financial year-to-date as at 30 June 2017 and on the weighted average number of shares in issue of 277,302,656 as at 30 June 2017.

(b) Diluted earnings per share

Diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of RM8.66 million for the current quarter and RM22.27 million for the current financial year-to-date as at 30 June 2017 and the adjusted weighted average number of ordinary shares in issue of 287,273,217 as at 30 June 2017.

By order of the Board,

Chen Moi Kew Director / Chief Financial Officer Date: 26 July 2017